

**ARTICLE 5: AUTHORITY**

**A. The Slot Exchange**

1. On such terms and conditions as the Parties may agree from time to time, the Parties may exchange slots on their respective services in the Trade. Initially, it is expected that Yang Ming shall provide to COSCO Shipping space for 300 TEUs on the service referred to as the PS2 and operated under THE Alliance Agreement (FMC Agreement No. 012439), in exchange for which COSCO Shipping shall provide to Yang Ming space for ~~300~~ 150 TEUs on the service referred to as the CEN<sup>1</sup> and operated under the OCEAN Alliance Agreement (FMC Agreement No. 012426), and 150 TEUs on the service known as the AAC3 and operated under FMC Agreement No. 012460,<sup>2</sup> as those services may be renamed or otherwise modified from time to time, for cargo moving between ports in the Trade. The number of slots to be exchanged, or the services on which slots will be exchanged, may be modified by the Parties without amendment to this Agreement; provided, however, that a change in the number of slots for either party above a maximum of 500 slots or below a minimum of 100 slots shall require an amendment to this Agreement. In addition, either Party may sell additional slots to the other Party on an ad hoc, per voyage, as available, as needed basis, on such terms and conditions as the Parties may agree from time to time.

2. Neither Party shall subcharter slots made available to it hereunder to any third parties without the prior written consent of the other Party, which shall not be unreasonably withheld.

3. The Parties may confer on operational matters relating to the PS2 and CEN services, including the vessels to be used, scheduling and port rotations, port calls, transit times, speed and adjustments to vessel speed (such as slow steaming), vessel stowage planning, issues relating to intermodal connections, and selection and use of terminals.

4. The Parties shall be entitled to use the exchanged slots without any geographical restrictions regarding the origin or destination of the cargo

<sup>1</sup> ~~Effective April 1, 2018, the CEN service will be replaced by the AAC service. As of that date, space shall be provided on the AAC service, and all references to the CEN service in this Agreement shall be deemed references to the AAC service.~~

<sup>2</sup> Effective August 27, 2018, the AAC service operated under the OCEAN Alliance will be replaced by both the CEN service operated by the OCEAN Alliance and the AAC3 service operated under FMC Agreement No. 012460. As of that date, space shall be provided on both the CEN and AAC3 services, and all references to the CEN service in this Agreement shall be deemed references to the CEN and AAC3 services.

subject to operational restrictions and efficiency targets as the Parties may adopt from time to time, and subject to the concurrence of the vessel operator in the case of hazardous, breakbulk, or noncontainerized cargo. There shall be no priorities for either full, empty, wayport/interport or breakbulk cargo.

**B. General Provisions**

1. The Parties may consult and may agree upon the chartering, hiring, establishment, use, scheduling and coordination of transshipment, barge, and feeder services, in conjunction with the linehaul operations of any of the services covered by this Agreement. The Parties may also discuss, and may agree, on, the interchange of equipment between Yang Ming and COSCO Shipping.

2. Each Party shall be responsible for marketing its own interests in the Trade.